

C O U N C I L C O M M U N I C A T I O N

TO: THE CITY COUNCIL
FROM: THE CITY MANAGER'S OFFICE

COUNCIL MEETING DATE
NOVEMBER 15, 1989

SUBJECT: TO RECEIVE PUBLIC INPUT REGARDING CONSIDERATION OF THE INTRODUCTION OF AN
ORDINANCE SETTING AND ESTABLISHING INCREASED RATES FOR SEWER SERVICE AND
CONNECTION FEES

PREPARED BY: City Manager

RECOMMENDED ACTION: That the City Council introduce Ordinance No. 1463,
"An Ordinance of the Lodi City Council Adopting a New
Fee Schedule for Sewer Service and Connection Fees,"
said adjustments to be effective with sewer service
bills prepared on and after January 1, 1990.

BACKGROUND INFORMATION: The City Council adopted Resolution 86-152 at its
regular meeting of October 1, 1986 setting in place a
schedule of annual sewer service charges and
connection fees adjustments until such time as the
White Slough Water Pollution Control Facility expansion project is completed or
until that resolution is superseded. The adjustments are 15% effective each
year on or as close to October 1 as feasible.

The proposed fee and related ordinance changes are outlined in the attached memo
(Exhibit 1) prepared by the Public Works Director dated November 3, 1989. The
proposed Ordinance No. 1463 is attached as Exhibit A to this memo. This data
was reviewed with the City Council at its "Shirtsleeve" session of November 7,
1989. The proposed adjustments will increase the monthly sewer service charge
for a two-bedroom house from \$5.38 to \$6.19, and the connection fee from \$1587
to \$1825.

The memo provides the City Council with the information it requested on setting
a flat rate connection fee on all residential units. Staff still feels that the
fairest way to apply connection fees to residential units is by number of
bedrooms. If the Council wishes to change the concept to a flat rate connection
charge, this approach can be incorporated at the time the ordinance is
introduced.

Since these increases will help to fund the proposed expansion of the White
Slough Treatment Plant it is critical that Ordinance No. 1463 be introduced at
this meeting. The introduction of this ordinance requires a 4/5 vote of the
Council.

At the last "Shirtsleeve" session, Councilmember Pinkerton requested to be informed of the City fees for a standard single-family home. For an average 1800/s.f. three-bedroom home the City fees collected are as follows:

Building Permit Charge	\$1300.00
(includes building permit, plan check, Strong Motion Instrumentation Program (seismic safety), plumbing, electrical and mechanical/air conditioning)	
Sewer Connection	\$2281.25
(using proposed increase)	
Total	<u>\$3581.25</u>

The school impact fee (\$1.56/s.f.) is collected by Lodi Unified School District.

Respectfully submitted,



Thomas A. Peterson
City Manager

TAP:br

Attachments

EXHIBIT 1

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MEMORANDUM, City of Lodi, Public ~~Works~~ Department

TO : City Manager
City Council

FROM: Public Works Director

DATE : November 3, 1989

SUBJECT: New Fee Schedule for Sewage Service Charges and Connection Fees
and Related Changes in the Existing Sewer Ordinance

The attached Exhibit A is the proposed Ordinance which modifies the sewage service charges and sewer connection fees.

At the October 4, 1989 Council meeting, under the discussion of increasing sewer fees, two questions were raised that continued the action on the proposed fee increase. These questions were:

1. Should we have a flat connection fee for all sizes of residential units rather than the present variable connection fee which is tied to the number of bedrooms?
2. How is the connection fee and sewage service charge determined for commercial and industrial uses? The chart showing the allocation of these fees was not provided to the City Council.

Residential Connection Fee

Section 1 of the proposed Ordinance (Exhibit A) shows the residential connection fee as \$1,825.00 per Sewage Service Unit. Section 13.12.130 of the overall sewer ordinance shows the following relationship between the

number of bedrooms and sewage service units:

Number of Bedrooms	Sewage Service Units
1	0.75
2	1.00
3	1.25
4	1.50
5	1.75
6	2.00
7	2.25

Therefore, the connection fees for residential would be as follows:

Number of Bedrooms	Connection Fee
1	\$1,368.75
2	\$1,825.00
3	\$2,281.25
4	\$2,737.50
5	\$3,193.75
6	\$3,650.00
7	\$4,106.25

The Council requested that we calculate a flat rate connection fee for all sizes of residential units that would provide the same revenue as the proposed connection fee tied to bedrooms. In order to make this calculation, an assumption has to be made on what ratio of bedrooms per residential unit will be constructed in the future. The attached Exhibit B evaluates four different development alternatives. Listed below are the alternates and what the flat rate connection fee would be for each.

Alternate	Description	Flat Rate Connection Fee
1	The future ratio will equal the ratio of existing units presently constructed	\$1,860
2	The future ratio will equal that ratio based on 1988 building permits	\$2,245
3	The future ratio will equal that ratio based on 1989 building permits	\$1,990

- 4 The future ratio will equal the average of the 1988/89 building permits \$2,160

Under these four alternatives, the flat rate connection fee varies from \$1,860 to 52,245 per residential unit. If the Council desires a flat rate residential connection fee, staff would recommend using Alternate 4 which is based on the average of the 1988/89 building permits and provides a flat rate fee of 52,160 per residential unit.

Commercial and Industrial Fees

In Section 1 of the proposed Ordinance (Exhibit A), the cost per sewage service unit for moderate strength commercial and industrial users on the domestic system is as follows:

Annual Sewage Service	\$74.28 per sewage service unit (\$6.19 monthly)
Connection Fee	\$1,825.00 per sewage service unit

High strength user fees are calculated individually using flow, BOD, and SS.

The chart shown in Section 2 of the proposed Ordinance shows how the sewage service unit charge for both the connection fee and sewage service is applied.

Example

A Church (Meeting Place, Religious) with 300 seats would be charged for 1.5 Sewage Service Units ($300 \div 200 = 1.5$)

Connection Fee

$$1.5 \times \$1,825 = \$2,737.50$$

Sewage Service Charge

$$1.5 \times \$74.28 \div 12 \text{ months} = \$9.28/\text{month}$$

The proposed Ordinance recommends a change in the allocation of sewage service units to some commercial and industrial uses. The attached Exhibit C shows the changes that **are** being recommended. The recommended changes are based on calculated sewer flows determined from actual water metered usage.

Under Section 1, the unit charges for flow, SOD, and SS for a high strength industrial user on the domestic' **system** were increased more than the standard 15%. Three years ago, ~~when~~ the connection fees were increased from \$290 to \$1,200, these unit charges for connection **fees** were not proportionately increased. This oversight was not caught until now. **I**f this had not been caught, a two-bedroom residence using these unit charges would be charged a connection fee of only \$110 versus the **\$1,825** that should be charged. Fortunately, no high strength industrial users have connected in the last three years, so the City has not lost any revenue.

Section 4 of the proposed Ordinance revises the appeal section of the overall sewer ordinance. The revision will allow the Public Works Director to make adjustments in the monthly sewage service charge. The existing ordinance only allows an adjustment in the connection fee.

Section 4 also provides for determining and adjusting connection fees and sewage service charges based on calculated sewer *flows* where water meters are installed.

Jack L. Ronsko
Public Works Director

JLR/mt

Attachments

cc: Water/Wastewater Superintendent

AN ORDINANCE OF THE LODI CITY COUNCIL
ADOPTING A NEW FEE SCHEDULE
FOR SEWAGE SERVICE AND CONNECTION FEES

BE IT ORDAINED BY THE LODI CITY COUNCIL:

SECTION 1. Lodi Municipal Code Chapter 13.12 "Sewer Service", §13.12.245

"Sewer Service Connection Fee Schedule" is hereby amended to read as follows:

"13.12.245 Sewage Service and Connection Fee Schedule

DOMESTIC SYSTEM

A. Residential

1. Sewage Service Charge

<u>Number of Bedrooms</u>	<u>Monthly Rate</u>
	\$ 4.65
	\$ 6.19
	\$ 7.74
	\$ 9.28
	\$10.83
	\$12.37
	\$13.90

2. Connection Fee \$1,825.00 per unit*

*"Unit": Sewage Service Unit, defined as each increment of flow of a typical two-bedroom residence (206 gallons per day and having BOD and SS strengths of less than 300 milligrams per liter). Units for residential, commercial, and industrial users are shown in Section 13.12.180.

B. Commercial

1. Annual Sewage Service \$74.28 per unit per year

2. Connection Fee \$1,825.00 per unit

C. Industrial

1. Annual Sewage Service

Moderate Strength User \$74.28 per unit per year

High Strength User

<u>Unit Item</u>	<u>Unit Charge</u>
Flow - MG	5357.41 per MG
BOD - 1,000 lbs.	\$174.90 per 1,000 lbs.
SS - 1,000 lbs.	\$142.97 per 1,000 lbs.

2. Connection Fee

Moderate Strength User \$1,825.00 per unit

High Strength User

Unit Item (per year)

Unit Charge

Flow - MG

\$9,733.01 per MG

BOD - 1,000 lbs.

\$4,009.18 per 1,000 lbs.

SS - 1,000 lbs.

\$1,805.59 per 1,000 lbs.

INDUSTRIAL SYSTEM

A. Annual Sewage Service

Unit Item

Unit Charge

Flow - MG

BOD - 1,000 lbs.

To be determined annually by the Public Works Director as outlined in §13.12.200 of the Lodi Municipal Code

B. Connection Fee

To be determined annually by the Public Works Director as outlined in §13.12.210 of the Lodi Municipal Code

HOLDING TANK WASTES

A. Dumping Charge

\$54.75 per 1,000 gal.

STORM DRAIN SYSTEM

A. Storm Drain Disposal Charge

\$66.13 per MG"

SECTION 2. Lodi Municipal Code Chapter 13.12 "Sewer Service",

§13.12.180 "Domestic System Service Charges", Section C-2, is hereby amended to read as follows:

- "2. Commercial and industrial user sewage service charges shall be based on the number of sewage service units assigned to each user. The units of measure for determining the number of sewage service units assigned to each user are as follows:

<u>User Description</u>	<u>Unit of Measure</u>
1. Meeting place, religious	Each 200 seats
2. Meeting place, public	Each 100 seats
3. Hotel, motel without kitchenettes	Each 3 beds
4. Hotel, motel with kitchenettes	Each unit
5. Veterinary clinic	Each 4 employees
6. Post office	Each 15 employees
7. Funeral parlor	Each 3 employees
8. Service station with service garages	Each 2.5 pumps
9. Service station without service garages	Each 7 pumps
10. Car wash, automatic bays	20 SSUs per bay
11. Car wash, self-serve bays	2 SSUs per bay
12. School, 8th grade and below	Each 20 students
13. High school	Each 15 students
14. Eating place, seating only	Each 10 seats
15. Eating place, seating and take-out	Each 7 seats
16. Eating place, "pizza parlor"	Each 35 seats
17. Eating place, take-out only	Each 5 employees
18. Lunch truck business	Each 5 employees
19. Laundry, coin-op. , reg. mach.	Each 1.5 machines
20. Laundry, coin-op., big mach.	Each machine
21. Comm. laundry and dry cleaning	Each 3 employees
22. Dentist's office	Each employee
23. Office, store, warehouse, manufacturer, Doctor's, Chiropractor's, and X-ray offices	Each 6 employees
24. Grocery store, supermarket (having vegetable/fruit or butcher/meat sections)	Each 3 employees
25. Bar	Each 20 seats
26. Barber, beauty shop	Each 3 workstations

- | | |
|----------------------------------|----------------|
| 27. Hospital , convalescent home | Each 3 beds |
| 28. Rest and retirement home | Each 3 beds |
| 29. Mobile home park | Each 1.33 pads |
| 30. RV dump station | Each station |

One sewage service unit shall be assigned to each unit of measure. Fees shall be based on nearest one-tenth sewage service unit except minimum number of sewage service units shall be 1.0."

SECTION 3. Lodi Municipal Code Chapter 13.12 "Sewer Service", §13.12.190 "Domestic System Connection Fees", Section C, which reads as follows, is hereby deleted:

"C. Any discharger, after one full year of operating data is available, may request the public works director to make an adjustment, or the public works director may institute an adjustment, if a significant variation exists between the estimated and actual quantities for each characteristic. Increases in connection fees shall be due and payable on demand at the time the public works director makes the fee adjustment and decreases will be credited."

SECTION 4. Lodi Municipal Code Chapter 13.12 "Sewer Service", §13.12.260 "Appeals" is hereby amended to read as follows:

"The owner or occupants of any premises who find that the charges and/or fees provided for in this article are unjust or inequitable may make application to the public works director to have the fees modified, in accordance to Section 13.12.590.

Commercial or industrial discharger, after one full year of operating data is available, may request the public works director to make an adjustment, or the public works director may institute an adjustment, if a significant variation exists between the estimated and actual quantities for each characteristic. Increases in connection fees shall be due and payable on demand at the time the public works director makes the fee adjustment and decreases will be credited. Increases or decreases in **sewage** service charges shall be implemented in the next billing following the determination by the public works director that adjustment *is* appropriate.

Where water usage is metered, the estimated sewer *flows* **may** be compared to the flows of a two-bedroom residence (one SSU) to determine or adjust the connection fee or sewage service charge."

SECTION 5. The above fees for the Domestic System and Holding **Tank Wastes** shall be increased 15% annually on October 1 of each year until the White Slough Water Pollution Control Facility expansion is completed or this ordinance is superseded.

SECTION 6. All ordinances and parts of ordinances in conflict herewith are repealed insofar **as** such conflict may exist,

SECTION 7. This ordinance is for the usual and current expenses of the City and is adopted pursuant to Government Code §36937(d). It shall be published one time in the Lodi News Sentinel, a daily newspaper of general circulation printed and published in the City of Lodi, and shall be in force and take effect immediately upon its passage and approval. The

increased rates shall be shown on sewer bills prepared on or after
January 1, 1990.

Approved this day of , 1989

JOHN R. SNIDER
Mayor

Attest:

ALICE M. REIMCHE
City Clerk

State of California
County of San Joaquin, ss.

I, Alice M. REXMCHE, City Clerk of the City of Lodi, do hereby certify that Ordinance No. _____ was introduced as a regular meeting of the City Council of the City of Lodi held _____, 1989 and was thereafter passed, adopted and ordered to print at an adjourned regular meeting of said Council held _____, 1989 by the following vote:

Ayes : Councilmembers

Noes: Councilmembers

Absent Councilmembers

Abstain: Councilmembers

I further certify that Ordinance No. _____ was approved and signed by the Mayor on the date of its passage and the same has been published pursuant to law.

ALICE M. REXMCHE
City Clerk

Approved as to Form:

BOBBY W. McNATT
City Attorney

Sewer Connection Fee Per Residential Unit

# of Bedrooms	Proposed Connection Fee	<u>Alternate 1</u>		<u>Alternate 2</u> 1988		<u>Alternate 3</u> 1989		<u>Alternate 4</u> Average of 1988 & 1989	
		<u>Overall Units Existing as of 11/88</u>		<u>Building Permits of 10/87 - 9/88</u>		<u>Building Permits of 10/88 - 9/89</u>		<u>Average of 1988 & 1989</u>	
		Total Units	% of Total	Total Units	% of Total	Total Units	% of Total	Total Units	% of Total
1	\$1,368.75	2,876	16.39	12	2.34	54	15.98	33	7.76
2	\$1,825.00	6,740	38.42	113	22.03	149	44.08	131	30.79
3	\$2,281.25	7,056	40.22	300	58.48	100	29.59	200	47.00
4	\$2,737.50	795	4.53	83	16.18	32	9.47	57.5	13.51
5	\$3,193.75	72	.41	5	.97	2	0.59	3.5	0.82
6	\$3,650.00	4	.02	0	--	0	0	--	--
7	\$4,106.25	1	.01	0	--	1	.29	.5	0.12
Total		17,544		513		338		425.5	
Fee Per Residential Unit*		\$1,860		\$2,245		\$1,990		\$2,160	

*Per unit rate which would generate approximately the same revenue as proposed fees

Changes in Units of Measure

Legend: ---- deletion
 _____ new wording

User Description	Unit of Measure
1. Meeting place, religious	Each 200 seats
2. Meeting place, public	Each 100 seats
3. Hotel, motel	Each 5 beds
<u>3. Hotel, motel without kitchenettes</u>	<u>Each 3 beds</u>
<u>4. Hotel, motel with kitchenettes</u>	<u>Each unit</u>
4-5. Veterinary clinic	Each-10-kennels
	<u>Each 4 employees</u>
5-6. post office	Each-25-employees
6-7. Funeral parlor	Each-2-employees
	<u>Each 3 employees</u>
7-8. Service station pumps with service garages	Each-2-pumps
	<u>Each 2.5 pumps</u>
<u>9. Service station without service garages</u>	<u>Each 7 pumps</u>
8-10. Car wash bays, automatic bays	Each-bay
	<u>20 SSU's per bay</u>
<u>11. Car wash, self serve bays</u>	<u>2 SSU's per bay</u>
9-12. School, 8th grade and below	Each-25-students
	<u>Each 20 students</u>
10-13. High school	Each-26-students
	<u>Each 15 students</u>
11-14. Eating place, seating only	Each 10 seats

15 15. Eating place, seating and take-out.	Each 7 seats
16 16. Eating place, "pizza parlor"	Each 5 seats
17 17. Eating place, take-out only	Each 5 employees
18 18. Lunch truck business	Each 5 employees
19 19. Laundry, coin-op., reg. mach.	Each-2-machines
	Each 1.5 machines
20 20. Laundry, coin op., big mach.	Each machine
21 21. Comm. laundry and dry cleaning	Each-2-employees
	Each 3 employees
22 22. Doctor's office	Each-10-employees
23 23. Dentist's office	Each-5-employees
	Each employee
24 24. Chiropractor's office	Each-10-employees
25 25. X-ray laboratory	Each-10-employees
26 26. Office, store, warehouse, manufacturer,	Each-10-employees
Doctor's, Chiropractor's and X-ray	
offices	Each 6 employees
27 27. Grocery Store, Supermarket (Having	Each 3 employees
veg/fruit or butcher/meat sections)	
28 28. Bar	Each-25-seats
	Each 20 seats
29 29. Barber, beauty shop	Each-4-chairs
	Each 3 workstations
30 30. Hospital, convalescent home	Each-2-beds
	Each 3 beds
31 31. Rest and retirement home	Each 3 beds
32 32. Mobile home park	Each 1.33 pads
33 33. RV dump station	Each station

One sewage service unit shall be assigned to each unit of measure. Fees shall be based on nearest one-tenth sewage service unit except minimum number of sewage service units - E be 1.0.



CITY OF LODI

CARNEGIE FORUM
305 West Pine Street, Lodi

NOTICE OF PUBLIC HEARING

Date: November 15, 1989

Time: 7:30 p.m.

For information regarding this Public Hearing
Please Contact:

Alice M. Reimche
City Clerk

Telephone: 333-6702

NOTICE OF PUBLIC HEARING

November 15, 1989

NOTICE IS HEREBY GIVEN that on Wednesday, at the hour of 7:30 p.m., or as soon thereafter as the matter may be heard, the City Council will conduct a public hearing to consider the following matter:

1. to receive public input regarding consideration of the introduction of an ordinance setting and establishing increased rates for sewer service and connection fees.

Note: This public hearing was continued from the regular City Council Meeting of October 4, 1989 to November 15, 1989 at 7:30 p.m.

All interested persons are invited to present their views and comments on this matter. Written statements may be filed with the City Clerk at any time prior to the hearing scheduled herein, and oral statements may be made at said hearing.

If you challenge the subject matter in court, you may be limited to raising only those issues you or someone else raised at the Public Hearing described in this notice or in written correspondence delivered to the City Clerk, 221 West Pine Street, at or prior to the Public Hearing.

By Order Of the Lodi City Council:

Alice M. Reimche
City Clerk

Dated: November 1, 1989

Approved as to form:

Bobby W. McNatt
City Attorney

November 15, 1989

City Council
City of Lodi, California

Tonight you face a vote on yet another utility raise, one that like our water raise of recent could be very discriminatory to a large segment of our population. I write of that group who are home Owners, regular voters, on fixed incomes **who** are now approaching their "Golden Years".

Please consider the fact that your vote, ^hwithout modification, can make these years "leaden" rather than "Golden".

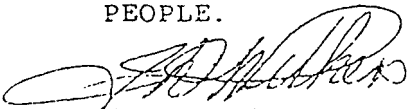
This group of solid citizens, earning less than \$30,000 a year household income are LOCKED INTO 25 to 35 year old (or older) homes that require constant maintenance and are unable to afford a home with less bedrooms (the criterion for utility raises).

These same people are unable to enjoy the creature comforts of full time heating or air conditioning due to the rates, unable to afford new cars, unable to stretch that limited income for whim or fancy. Unwilling to plunge into debt for different housing as they are the sons and daughter of the great depression and three wars.

These are the people who have helped pay **the** tariff **that has** built Lodi from a village to a city. Those who have volunteered in community activity and affairs, those **who** have paid and paid.

These are the people living 2 to a 3-bedroom home. unlike ~~some~~ some of **Lodi's** 1 and 2-bedroom homes and apartments housing 8 or 12 people.

An **exemption** should be written into the ordinance. FOR THE PEOPLE.



Jon D. Withers
2448 Corbin Lane